

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 432

Introduced by Nelson, 6.

Read first time January 20, 2009

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to state government; to amend sections 69-1317
2 and 77-2205, Reissue Revised Statutes of Nebraska; to
3 change provisions relating to confidential information,
4 professional finder's fees, and warrants; and to repeal
5 the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 69-1317, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 69-1317 (a)(1) Except as otherwise provided in this
4 subdivision, all funds received under the Uniform Disposition of
5 Unclaimed Property Act, including the proceeds from the sale of
6 abandoned property under section 69-1316, shall be deposited by
7 the State Treasurer in a separate trust fund from which he or
8 she shall make prompt payment of claims allowed pursuant to the
9 act and payment of any auditing expenses associated with the
10 receipt of abandoned property. All funds received under section
11 69-1307.05 shall be deposited by the State Treasurer in a separate
12 life insurance corporation demutualization trust fund, which is
13 hereby created, from which he or she shall make prompt payment of
14 claims regarding such funds allowed pursuant to the act. Transfers
15 from the separate life insurance corporation demutualization trust
16 fund to the General Fund may be made at the direction of the
17 Legislature. Before making the deposit he or she shall record
18 the name and last-known address of each person appearing from the
19 holders' reports to be entitled to the abandoned property, the
20 name and last-known address of each insured person or annuitant,
21 and with respect to each policy or contract listed in the report
22 of a life insurance corporation, its number, the name of the
23 corporation, and the amount due. The record shall be available for
24 public inspection during business hours.

25 The record shall not be subject to public inspection or

1 available for copying, reproduction, or scrutiny by commercial or
2 professional locators of property presumed abandoned who charge
3 any service or finders' fee until twenty-four months after the
4 names from the holders' reports have been published or officially
5 disclosed. Records concerning the social security number, date of
6 birth, amount due, and last-known address of a holder shall be
7 treated as confidential and subject to the same confidentiality as
8 tax return information held by the Department of Revenue.

9 A professional finders' fee shall be limited to ten
10 percent of the total amount of the ~~property presumed~~ abandoned
11 or not yet abandoned property which is recovered or identified on
12 behalf of an owner. To claim any such fee, the nature and location
13 of the property, a notification of when such property was or will
14 be reported to the State Treasurer, and notice that the property
15 can be claimed by the owner from the State Treasurer free of charge
16 must be disclosed to the claimant in writing by the finder.

17 (2) The unclaimed property records of the State
18 Treasurer, the unclaimed property reports of holders, and the
19 information derived by an unclaimed property examination or audit
20 of the records of a person or otherwise obtained by or communicated
21 to the State Treasurer may be withheld from the public. Any record
22 or information that may be withheld under the laws of this state
23 or of the United States when in the possession of such a person
24 may be withheld when revealed or delivered to the State Treasurer.
25 Any record or information that is withheld under any law of

1 another state when in the possession of that other state may be
2 withheld when revealed or delivered by the other state to the State
3 Treasurer.

4 Information withheld from the general public concerning
5 any aspect of unclaimed property shall only be disclosed to an
6 apparent owner of the property, or to the escheat, unclaimed, or
7 abandoned property administrators or officials of another state if
8 that other state accords substantially reciprocal privileges to the
9 State Treasurer.

10 (b) (1) On or after October 6, 1992, the State Treasurer
11 shall periodically transfer any balance in excess of an amount not
12 to exceed five hundred thousand dollars from the separate trust
13 fund to the General Fund no less frequently than on or before
14 November 1 and May 1 of each year, except that the total amount of
15 all such transfers shall not exceed five million dollars.

16 (2) (i) On the next succeeding November 1 after five
17 million dollars has been transferred to the General Fund in the
18 manner described in subdivision (b) (1) of this section or (ii) on
19 November 1, 1996, whichever occurs first, and on or before November
20 1 of each year thereafter, the State Treasurer shall transfer any
21 balance in excess of an amount not to exceed five hundred thousand
22 dollars from the separate trust fund to the permanent school fund.

23 (3) On July 15, 2003, the State Treasurer shall transfer
24 two hundred thousand dollars from the separate trust fund to the
25 General Fund and one hundred thousand dollars from the separate

1 trust fund to the Treasury Management Cash Fund. On September 15,
2 2004, the State Treasurer shall transfer five hundred thousand
3 dollars from the separate trust fund to the General Fund.

4 (c) Before making any deposit to the credit of the
5 permanent school fund or the General Fund, the State Treasurer may
6 deduct (1) any costs in connection with sale of abandoned property,
7 (2) any costs of mailing and publication in connection with any
8 abandoned property, and (3) reasonable service charges and place
9 such funds in the Unclaimed Property Cash Fund which is hereby
10 created. Transfers from the fund to the General Fund may be made
11 at the direction of the Legislature. Any money in the Unclaimed
12 Property Cash Fund available for investment shall be invested
13 by the state investment officer pursuant to the Nebraska Capital
14 Expansion Act and the Nebraska State Funds Investment Act.

15 Sec. 2. Section 77-2205, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 77-2205 If the State Treasurer is unable to pay the full
18 amount thereof for any such warrants when they are presented to him
19 or her due to (1) insufficient money to the credit of the funds
20 against which such warrants are drawn, (2) not being authorized by
21 the Board of Educational Lands and Funds to invest trust funds in
22 state warrants, or (3) insufficient money in such trust funds to
23 pay the same, then the owner or holder of the warrants shall be
24 entitled to have the same registered, and not otherwise. The State
25 Treasurer shall not pay any warrant, unless registered for any of

1 the reasons set forth in this section, which is presented to him or
2 her for payment more than two years after the date of its issuance
3 if issued prior to October 1, 1992, or one year after the date of
4 its issuance if issued on or after October 1, 1992. ~~and any such~~
5 ~~warrant shall cease to be an obligation of the State of Nebraska~~
6 ~~and shall be charged off upon the books of the State Treasurer.~~
7 Except as otherwise provided by law, the amount stated on such
8 warrant shall be credited to the General Fund. ~~Such warrant may,~~
9 ~~however,~~ thereafter be presented to the State Claims Board which
10 may approve a claim pursuant to the State Miscellaneous Claims Act
11 ~~for the amount of the warrant.~~ For purposes of sections 69-1307.01
12 and 69-1307.02, records for all outstanding warrants issued after
13 July 1, 2002, shall be delivered by the issuing agency to the State
14 Treasurer to attempt to locate the owner. The State Treasurer shall
15 attempt to make positive identification of the owner and issue
16 payment for the original warrant amount. At the end of each fiscal
17 year, the State Treasurer shall transfer funds equal to the total
18 amount of warrants reissued to owners in the preceding fiscal year
19 from the General Fund to the Unclaimed Property Cash Fund.

20 Sec. 3. Original sections 69-1317 and 77-2205, Reissue
21 Revised Statutes of Nebraska, are repealed.